

Delivery Program

2022 - 2025

Operational Plan

2023 - 2024

Revenue Policy

National Competition Policy

The National Competition Policy requires local government to apply the principles of competitive neutrality to its activities where these activities may be seen as competitive to commercial providers.

In accordance with the NSW Government Policy Statement for the Application of National Competition Policy to Local Government, the Upper Hunter Shire Council has two Category 1 Business Activities, with \$2 million and above in total annual operating revenues which must be separately reported for the purposes of competitive neutrality and to demonstrate any cross-subsidy or anti-competitive practices. The two Category 1 Business Activities are water supplies and sewerage services. A Category 1 Business activity is defined as activities with more than \$2 million total annual operating revenue.

Council is involved in one Category 2 Business Activities, with less than

\$2 million total annual operating revenues where Council establishes the principle of competitive neutrality by applying full cost attribution to these services.

These small business undertakings are managed on a commercial basis by applying corporate overheads and contributions appropriate to the scale and utilisation of overheads. This activity is a joint venture between all Hunter Councils as part of Strategic Services Australia.

These activities are not included in Council's Delivery Program and Operational Plan.

Council conducts a number of other activities that can be defined as business or commercial activities but are not classified as business units for the purpose of National Competition Policy. These activities are undertaken to provide a service and/or to generate income to supplement rating and other sources of income as outlined in the following table.

General Ordinary Rates

Ordinary rates

Ordinary rates are applied to properties based on independent valuations supplied to the Council on all rateable properties within the Shire boundaries by Property NSW. The valuations used in the 2023/2024 rating period have a base date of 1 July 2022.

Structure of the ordinary rate

Since the amalgamation of the Scone, Merriwa and Murrurundi Shire council's in 2004 the amalgamated Council has employed a rating structure using an ad valorem rate subject to a minimum amount which must not exceed the relevant permissible limits provided for in the Act and clause 126 of the Local Government (General) Regulation 2005.

The rating provisions of the Local Government Act 1993 allow Councils to base their ordinary rates either on a system of minimum rates or base rates. Upper Hunter Shire Council has chosen to employ the system of base rates as a means of levying rates on all properties throughout the Shire. In accordance with section 497 of the Local Government Act 1993 the structure of the Ordinary Rate must comprise:

- A base amount (i.e. fixed charge required by statute to be no more than 50 percent of the total amount of the rate)
- An ad-valorem component (i.e. a rate levied on the unimproved land value).

Ordinary base rate

Council has chosen to apply a system of base amounts to overcome community concerns over the inequity of the rate burden of a rate levied solely on land values. The uniform base charge reflects that some of the benefits derived by ratepayers from the provision of Council works and services are shared equally by the community.

The philosophy behind the base charges is that the base amount should apply to all properties and the total income from the charge should approximate the general administration costs of the Council, together with the cost of common services available to each property within the Council area.

Ad valorem rate

Council has adopted a system of ad valorem rates that will apply to each property valuation to develop a variable charge on each rate notice. The ad valorem charge is multiplied by the land valuation supplied by the Land and Property Information NSW to determine the ad valorem charge.

Whilst Council has chosen to apply a system of base rates, the overriding characteristic of NSW local government rating is that the rate assessment will be primarily and predominantly determined via the ad valorem method. The ad valorem amount of the rate is to be levied on the unimproved land value of all rateable land within each rating category on the rates notice.

Local Government Cost Index (LGCI) increase

For the 2023/2024 year the LGCI has been set by IPART at 3.7 percent.

The following table shows both the 2022/2023 and the 2023/2024 rates (cents in the \$), including the Independent Pricing and Regulatory Tribunals (IPART) recommended 3.7% rate pegging increase only.

Refer to Attachment 1 for rate category maps.

3.1.2 General Ordinary Rates

With IPART* Recommended Rate Peg of 3.70%									
Revised 2022/2023				SUB-CATEGORY	CATEGORY	2023/2024			
RATE	BASE RATE \$	ESTIMATED YIELD \$	% YIELD			RATE	BASE RATE \$	ESTIMATED YIELD \$	% YIELD
0.0040100	100	6,176,893	51.77		Farmland	0.0020388	100	6,406,282	51.77
0.0052650	200	504,322	4.23	Aberdeen	Residential	0.0033104	200	523,049	4.23
0.0165400	200	25,702	0.22	Cassilis		0.0055710	200	26,652	0.22
0.0066310	200	320,150	2.68	Merriwa		0.0036099	200	332,017	2.68
0.0069810	200	285,275	2.39	Murrurundi		0.0027770	200	295,847	2.39
0.0074970	200	2,439,028	20.44	Scone		0.0044610	200	2,529,799	20.44
0.0052220	200	1,244,970	10.43	Ordinary		0.0027090	200	1,291,174	10.43
0.0075570	200	43,312	0.36	Aberdeen	Business	0.0045125	200	44,917	0.36
0.0077390	200	44,103	0.37	Merriwa		0.0045053	200	45,737	0.37
0.0068380	200	33,673	0.28	Murrurundi		0.0032942	200	34,921	0.28
0.0092540	200	441,127	3.70	Scone		0.0062170	200	457,472	3.70
0.0052220	200	238,515	2.00	Ordinary		0.0025835	200	247,358	2.00
0.0075570	200	541	0.00	Aberdeen	Mixed Residential	0.0033104	200	472	0.00
0.0066300	200	639	0.01	Merriwa		0.0036099	200	407	0.00
0.0069810	200	443	0.00	Murrurundi		0.0027770	200	389	0.00
0.0074970	200	-	0.00	Scone		0.0044610	200	-	0.00
0.0075570	200	549	0.01	Aberdeen	Mixed Business	0.0045125	200	687	0.02
0.0077390	200	327	0.00	Merriwa		0.0045053	200	543	0.00
0.0068380	200	237	0.00	Murrurundi		0.0032942	200	381	0.00
0.0092540	200	-	0.00	Scone		0.0062170	200	-	0.00
0.0259350	200	132,368	1.11		Mining	0.0056877	200	137,290	1.11
Total Estimated Notional Yield \$11,932,177						Total Estimated Notional Yield \$12,375,378			

* IPART = Independent Pricing and Regulatory Tribunal

Rating Category Definitions

Farmland

Land which is a parcel of rateable land valued as one assessment and its dominant use is for farming (that is, the business or industry of grazing, animal feedlots, dairying, pig farming, poultry farming, viticulture, orcharding, beekeeping, horticulture, vegetable growing, the growing of crops of any kind, forestry, oyster farming, or fish farming within the meaning of the Fisheries and Oyster Farm Act, 1935, or any combination of these businesses or industries) which:

- has a significant and substantial commercial purpose or character, and
- is engaged in for the purpose of profit on a continuous or repetitive basis (whether or not a profit is actually made) and is not rural residential land.

Residential

Land in the centres of population of Aberdeen, Cassilis, Merriwa, Murrurundi and Scone towns respectively (on maps displayed in the Council Chambers) which is valued as one rateable assessment and has:

- its dominant use is for residential accommodation (otherwise than as a hotel, motel, guest house, boarding house or nursing home or any other form of residential accommodation prescribed by the regulations); or
- in the case of vacant land it is zoned or otherwise designated for use under an environmental planning instrument (with or without development consent) for residential purposes.

Residential Ordinary

Land that is categorised “residential” throughout the whole of the Upper Hunter Shire area excepting that land which is categorised “residential” within the centres of population of Aberdeen, Cassilis, Merriwa, Murrurundi and Scone, as displayed on maps in the Council Chambers.

Business

Land which is not residential and is within the Aberdeen, Cassilis, Merriwa, Murrurundi and Scone centres of population as displayed on the maps in the Council Chambers.

Business Ordinary

Land which is not farmland, residential or mining and is not within the Aberdeen, Cassilis, Merriwa, Murrurundi and Scone centres of population as displayed on maps in the Council Chambers.

Mining

Parcels of rateable land valued as one assessment and its dominant use is for a coal mine or metalliferous mine.

Water charges

Council has adopted a 30 year Capital Works and Asset Replacement Program. The NSW Office of Water has stipulated that in order for Council to receive future grant funding for necessary capital projects, Council must be compliant with the Best Practice Management of Water Supply and Sewerage Guidelines, 2007. These guidelines require all councils with over 4,000 connected properties to raise at least 75% of residential revenue from water usage charges, and the remaining 25% from annual access charges which was achieved by Council in the 2018/2019 year and has continued to achieve an average of this ratio over the last 4 years.

For the 2023/2024 year Council has increased its annual access and water usage charges by a conservative CPI increase of 5% rounded to the nearest whole dollar for annual access charges and cents for usage charges.

The annual (access) charge applies to each water service:

- If a property has two water meters, then the customer will be invoiced for two annual charges;
- Each unit/flat/apartment will be invoiced for one annual charge. The strata or non-strata status of unit/flat/apartment does not affect the charge.

Properties may consist of several allotments of land. The principle used for determining the number and type of annual charges is that where the allotments are capable of being separately connected and separately developed, then the customer will be invoiced for one annual charge for each allotment. Some examples of this principle are given below:

Where a property consists of two allotments and the second allotment is not able to be separately developed (e.g. it might be in a designated flood plain), then the customer will be invoiced for one annual charge only.

Where a property consists of two allotments with a house on one allotment and the other vacant, then the customer will be invoiced for one connected annual charge and one unconnected annual charge.

Where a property consists of two allotments with a house (or other substantial improvement) built across the two allotments and the second allotment is not able to be separately developed, then the customer will be invoiced for one connected annual charge only.

Water usage is invoiced quarterly on the water accounts. A pro-rata charge will be calculated for water consumption when a water meter ceases to function, based on previous water consumption. Council's water pricing policy has been reviewed in line with NSW Office of Water's water pricing guidelines.

Step allocation for water consumption periods have remained the same for the 2022/2023 year as follows:-

Total Step 1 allowance 350kl for the year.

75kl per quarter for the winter and autumn seasons.

100kl per quarter for the spring and summer seasons.

3.1.4 Water Charges		
ANNUAL (ACCESS) CHARGE	ABERDEEN, CASSILIS, MERRIWA, MURRURUNDI AND SCONE	
	2022/2023 \$	2023/2024 \$
For all users (domestic, units/flats/ apartments trunk main, commercial, industrial and non-rateable) based on water meter size:		
20mm	230	242
25mm	359	377
32mm	590	620
40mm	923	969
50mm	1,442	1,514
80mm	3,696	3,881
100mm	5,776	6,065
150mm	12,997	13,647
200mm	23,105	24,260
	1,451,004	1,525,921
Each allotment of unconnected land on a rate assessment within 225m of water main and capable of connecting	178	187
	58,918	61,897
USER CHARGES (PER KILOLITRE)	ABERDEEN, CASSILIS, MERRIWA, MURRURUNDI AND SCONE	
	2022/2023 \$	2023/2024 \$
Residential users –		
Step 1 per quarter*	2.37	2.49
Step 2 per quarter*	3.66	3.84
Kidney dialysis users	1.18	1.24
Total Yield	2,020,000	2,065,000
Non-residential user - commercial, industrial & non-rateable		
Scone Saleyards Scone Abattoir	1.68	1.76
Murrurundi Pipeline Rural Water	New	1.30
Scone Well No.5	New	0.32
Council parks, gardens, cemeteries and pools	1.00	1.00
Other	2.50	2.63
Total Yield	1,140,000	1,170,000

Sewerage Services

Council has adopted a 30 year Capital Works and Asset Replacement Program. In order to achieve that program sewer charges is recommended to increase by 5%, which currently represents a conservative CPI %. Therefore, Council has increased the sewerage charges by the conservative CPI increase of 5% rounded to the nearest whole dollar for annual access charges for the 2023/2024 year. The annual (access) charge applies to each sewer service:

- Each unit/flat/apartment will be invoiced for one annual charge. The strata or non-strata status of unit/flat/apartment does not affect the charge.
- Properties may consist of several allotments of land. The principle used for determining the number and type of annual charges is that where the allotments are capable of being separately connected and separately developed, then the customer will be invoiced for one annual charge for each allotment. Some examples of this principle are given below:
- Where a property consists of two allotments and the second allotment is not able to be separately developed (e.g. it might be in a designated flood plain), then the customer will be invoiced for one annual charge only.
- Where a property consists of two allotments with a house on one allotment and the other vacant, then the customer will be invoiced for one connected annual charge and one unconnected annual charge.
- Where a property consists of two allotments with a house (or other substantial improvement) built across the two allotments and the second allotment is not able to be separately developed, then the customer will be invoiced for one connected annual charge only.

3.1.5 Sewerage Services		
	ABERDEEN, MERRIWA, MURRURUNDI AND SCONE	
ANNUAL (ACCESS) CHARGE	2022/2023	2023/2024
	\$	\$
Residential including units/flats/ apartments	646	678
Total Yield	2,596,274	2,724,882
Each allotment of unconnected land within 75m of sewer main and capable of connecting.	484	508
Total Yield	166,496	174,752
Commercial, industrial and non-rateable, the access charge is based on water meter size		
20mm	779	818
25mm	938	985
32mm	1,143	1,200
40mm	1,569	1,647
50mm	1,913	2,009
80mm	3,134	3,291
100mm	3,920	4,116
150mm	5,737	6,024
200mm	7,839	8,231
Total Yield	479,720	503,729
User Charge		
Residential	0	0
Commercial, Industrial and Non-rateable	\$1.15 per kilolitre x the discharge factor (see over page)	\$1.26 per kilolitre x the discharge factor (see over page)

Capital Contributions

Contributions to Morse Street Sewer - \$1,160 per annum.

Capital contributions for the extension of the Sewer System to Morse Street Scone area to be raised annually for seven properties for a 20 year period. Final payment is due 2025/2026 and there is no CPI increases.

Trade Waste Charges

Trade waste charges covers the cost of managing and treating wastewater. There are two types of charges:

3.1.7 Trade Waste Charges		
	2022/2023	2023/2024
	\$	\$
Annual Charges	490	515
Multi installation (per equivalent tenement)	490	515
Application fee		
Class 1 +2	102	107
Class 3	1,060	1,115
Re-inspection fee	141	148
Non Compliance fee (per KL)	23	24
Excess Mass charge for Class 3 discharges (\$/kg)	Please refer to Attachment 1 (Fees & Charges Schedule)	Please refer to Attachment 1 (Fees & Charges Schedule)

Discharge Factors

The sewer discharge factor includes all non-domestic discharge to the sewerage system. It is the ratio of the estimated volume discharged into the sewerage system to the total water consumption.

3.1.8 Discharge Factors

BUSINESS TYPE	DISCHARGE FACTOR	BUSINESS TYPE	DISCHARGE FACTOR
Abattoirs	0.85	Hospital	0.85
Bakery	0.95	Hotel	0.85
Bowling Club with bowling greens	0.45	Laundromat	0.92
Butcher	0.85	Motel	0.95
Cakes/Hot Bread	0.95	Nursing home	0.85
Caravan Park (for canteen/laundry)	0.50	Office	0.95
Car Detailing	0.95	Optometrist	0.95
Car Washing	0.95	Panel Beating/Spray Painting	0.95
Charcoal Chicken	0.95	Printer	0.85
Club	0.85	Public Amenities Block	1.00
Chemical Industry	0.85	Restaurant	0.95
Coal Mine	1.00	School	0.50
College	0.50	Service Station	0.95
Cold Store	0.07	Shop	0.95
Concrete Batching Plant	0.02	Shopping Centre	0.85
Craft/Stonemason	0.95	Steam Laundry	0.65
Delicatessen	0.95	Swimming Pool	0.85
Dental Surgery	0.95	Takeaway Shop	0.95
Fresh Fish Outlet	0.95	Unit/flat/apartment	0.80

Domestic Waste Management Charges

Council provides the community with four licensed waste management facilities and a domestic two-bin kerbside waste management service, consisting of weekly collection of 240L waste bin, fortnightly collection of 240L recycling bin and an annual bulk waste collection. Domestic assessments on the kerbside waste and recycling servicing route cannot opt out of the collection service.

For the 2023/2024 year Council has increased its annual domestic waste management charges by a conservative CPI increase of 5.0% for its full collection service (rounded to the nearest whole dollar).

Council introduced a new kerbside collection in the 2022/2023 year for Food Organics & Garden Organics (FOGO). The introduction of this service will come a no additional cost to the ratepayer with the only increase in the annual access charge being for a below CPI factor noted above and will continue into the 2023/2024 year.

In accordance with s496 of the Act, Council has maintained its three tier structure for domestic waste management charges in 2023/2024. Waste Management Charges are considered the minimum necessary to maintain current levels of service, meet required capital works, and provide for future remediation works. Charges for waste management are applied to all properties and set to

ensure the full cost of all related functions are recovered from specific annual charges and user fees with no subsidisation from general rate income.

A Waste Management Charge of \$55.00 is included in all annual charges to fund activities that are not part of normal waste collection and disposal, and to keep waste management facility user fees at a level that does not discourage responsible waste disposal.

A Waste Management Access Charge of \$50.00 is included for all rateable and non-rateable domestic assessments that have access to kerbside waste and recycling services. This applies to all domestic vacant land on the kerbside waste and recycling route.

A Waste Management Service Charge of \$609.00 is included for all rateable and non-rateable domestic assessments that are using the two-bin kerbside waste management service.

Domestic charges include rateable and non-rateable assessments. Pro-rata charges are applied.

3.1.10 Domestic Waste Management Charges						
2022/2023				2023/2024		
USERS	PER ANNUM \$	YIELD \$	CATEGORY	USERS	PER ANNUM \$	YIELD \$
DOMESTIC						
6970	55	383,350	Waste Management Charge	6970	55	383,350
5047	50	252,350	Waste Management Access Charge	5047	50	252,350
4607	575	2,649,025	Waste Management Service Charge	4607	609	2,805,663
396	377	149,292	Additional Waste Services (All towns)	396	166	65,736
464	158	73,312	Additional Recycling Service (All towns)	464	166	77,024
0	N/A	0	Additional FOGO Service (All Towns)	0	396	0
0	N/A	0	Weekly Waste Service (Scone, Merriwa & Aberdeen)	0	523	0
0	N/A	0	Weekly Recycling Service (Scone, Merriwa & Aberdeen)	0	142	0
0	N/A	0	Weekly Waste Collection (Murrurundi)*	0	1,075	0
0	N/A	0	Weekly Recycling Collection (Murrurundi)*	0	620	0
TOTAL		3,507,329		TOTAL		3,584,123

* Minimum 15 Services

Non-Domestic Waste Management Charges

Council provides the community with four licensed waste management facilities and a non-domestic two-bin kerbside waste management service, consisting of weekly collection of 240L waste bin and fortnightly collection of 240L recycling bin. Non-domestic assessments on the kerbside waste and recycling servicing route may opt out of the collection service.

For the 2023/2024 year Council has increased its annual domestic waste management charges by a conservative CPI increase of 5.0% for its full collection service (rounded to the nearest whole dollar).

In accordance with s496 of the Act, Council has maintained its three tier structure for non-domestic waste management charges in 2023/2024. Waste Management Charges are considered the minimum necessary to maintain current levels of service, meet required capital works, and provide for future remediation works. Charges for waste management are applied to all properties and set to ensure the full cost of all related functions are recovered from specific annual charges and user fees with no subsidisation from general rate income.

A Waste Management Charge of \$55.00 is included in all annual charges to fund activities that are not part of normal waste collection and disposal, and to keep waste management facility user fees at a level that does not discourage responsible waste disposal.

A Waste Management Access Charge of \$50.00 is included for all non- domestic rateable and non-rateable assessments that have access to kerbside waste and recycling services. This applies to all non-domestic vacant land and non-domestic assessments on the waste management servicing route but have opted out of the collection service.

A Waste Management Service Charge of \$609.00 is included for all non- domestic rateable and non-rateable assessments that are using the two-bin kerbside waste management service.

3.1.10 Non-Domestic Waste Management Charges

3.1.10 Non-Domestic Waste Management Charges						
2022/2023				2023/2024		
USERS	PER ANNUM \$	YIELD \$	CATEGORY	USERS	PER ANNUM \$	YIELD \$
COMMERCIAL						
305	55	16,775	Waste Management Charge	305	55	16,775
305	50	15,250	Waste Management Access Charge	305	50	15,250
305	575	175,375	Waste Management Service Charge	305	609	185,745
308	377	116,116	Additional Waste Services (All towns)	308	166	51,128
0	N/A	0	Additional Recycling Service (All towns)	0	142	0
0	N/A	0	Additional FOGO Service (All Towns)	0	396	0
0	N/A	0	Weekly Waste Service (Scone, Merriwa & Aberdeen)	0	523	0

3.1.10 Non-Domestic Waste Management Charges (continued.)						
2022/2023				2023/2024		
USERS	PER ANNUM \$	YIELD \$	CATEGORY	USERS	PER ANNUM \$	YIELD \$
COMMERCIAL						
0	N/A	0	Weekly Recycling Service (Scone, Merriwa & Aberdeen)	0	142	0
0	N/A	0	Weekly Waste Collection (Murrurundi)*	0	1,075	0
0	N/A	0	Weekly Recycling Collection (Murrurundi)*	0	620	0
TOTAL		323,516		TOTAL		268,898

* Minimum 15 Services

Stormwater Charges

A charge is raised in accordance with the Local Government Amendment (Stormwater) Act 2005. An annual amount of \$25.00 will be charged on all non- vacant urban residential and business properties (\$12.50 per strata lot). The funds will be used for the development of appropriate Stormwater Management Plans and additional stormwater projects over and above the average level previous funded from Council’s General Funds.

3.1.11 Stormwater Charges						
2022/2023				2023/2024		
NO OF ASSESSMENTS	RATE \$	ANTICIPATED YIELD \$	CATEGORY	NO OF ASSESSMENTS	RATE \$	ANTICIPATED YIELD \$
3,853	25.00	96,325	Residential, Commercial & Unoccupied	3,853	25.00	96,325
180	12.50	2,250	Strata Lots	180	12.50	2,250
TOTAL		98,575		TOTAL		98,575

On-site Sewage Approval to operate annual fee

An annual fee for the Approval to Operate (ATO) an On-site Sewage Management System (OSMS) will be charged and disclosed on the rate notice issued to the relevant property. The annual fee to be charged is related to the application for or renewal of approval to operate an Onsite Sewer Management System and covers the costs associated with inspecting, monitoring and maintaining records. There will be no fee attributable to initial inspections of OSMS's carried out, however a fee will be charged if a further inspection is required to be undertaken. Funds raised will be used to enhance the monitoring and operation of Onsite Sewerage Management Systems throughout the local government area to better comply with the necessary legislative requirements, and most importantly improve environmental outcomes.

Any required follow up inspections or inspection of second or additional OSMS systems will be charged at the rate listed in the Miscellaneous Fees and Charges under Development Applications - On-site Sewage Management in Part 5.

3.1.11 On-Site Sewer Management					
2022/2023			2023/2024		
NO OF ASSESSMENTS	RATE \$	ANTICIPATED YIELD \$	NO OF ASSESSMENTS	RATE \$	ANTICIPATED YIELD \$
2212	68	150,416	2212	72	159,264

Miscellaneous Fees & Charges

Each year, Council is required to determine fees and charges for services it provides.

The fees and charges are made up of fees provided under relevant Acts, fees determined by Council and also recommendations from the Local Government NSW.

Section 608 (1) of the Local Government Act 1993, provides that "a Council may charge and recover an approved fee for any service it provides..."

Subsection 2 describes the services for which an approved fee may be charged. These include:

supplying a service, product or commodity; giving information;

providing a service in connection with the exercise of a Council's regulatory functions – including receiving an application for approval, granting an approval, making an inspection or issuing a certificate;

allowing admission to any building or enclosure.

Section 610. Effect of other Acts

“(1) If the amount of a fee for a service is determined under another Act:

(a)

a Council may not determine an amount that is inconsistent with the amount determined under the other Act, and

(b)

A Council may not charge a fee in addition to the amount determined under the other Act.”

“(2) If the charging of a fee for a service is prohibited under another Act, a Council must not charge a fee for the service under this Act.”

How does Council determine the amount of a fee for a service?

Section 610D (1) provides “a Council, if it determines the amount of an approved fee for a service, must take into consideration the following factors:

the cost to the Council of providing the service;

the price suggested for that service by any relevant industry body or in any schedule of charges published, from time to time, by the Office of Local Government;

the importance of the service to the community;

any factors specified in the regulations.

Section 610D(2) states “that the cost to the Council of providing a service in connection with the exercise of a regulatory function need not be the only basis for determining the approved fee for that service”. Further “a higher fee or an additional fee may be charged for an expedited service provided, for example, in a case of urgency”.

Part 5 of this Delivery Program and Operational Plan sets out the range of miscellaneous fees and charges determined by Council in accordance with Section 608 of the Local Government Act, 1993.

Council may vary any such fee or charge or determine a new fee or charge subject to the statutory period of 28 days exhibition and consideration of public comment, prior to adoption.

Charges under Sections 501 and 502, Local Government Act 1993

Charges referred to in these sections relating to Water Charges and Domestic Waste Management charges are detailed in sections 2.1.3 and 2.1.8.

Goods and Services Tax (GST)

From 1st July 2000, a goods and services tax (GST) applied to a number of goods and/or services supplied by Council.

Those goods and/or services that are subject to GST have been identified in the attached Schedule of Fees and Charges as such and the prices shown for those goods and/or services are the GST inclusive price.

Some goods and/or services supplied by Council have been declared “GST free” or are excluded under Division 81 of the legislation. Those goods and/ or services which are “GST free” or excluded from GST are indicated in the Schedule of Fees and Charges as GST not applying.

Refund Policy

Fees and charges are generally for goods and services provided and therefore not refundable. However, Council has the following policies on refunds:

Development Application Fee

Council charges a minimum advertising fee for development applications and the fee are fixed annually. No refund of development application fees paid is to be made, except where a development application has been lodged and none is required. The advertising fee may be refunded if an application is withdrawn prior to the proposed development application being advertised.

Reduced or Waived Fees

Upon application Council may apply reduced fees or may waive fees in certain applications.

Hardship Policy for Rates and Charges Policy

Council may write off interest charges in accordance with an arrangement to finalise a debt owed to Council by a ratepayer who is suffering personal financial hardship under sections 564 and 567 of the Local Government Act 1993.

The General Manager has delegated authority from Council to write off amounts up to \$1,000.00. The Director Corporate Services has delegated authority from Council to write off amounts up to \$300.00.

The General Manager and Director Corporate Services may determine whether a ratepayer is suffering personal financial hardship.

Under section 577 of the Local Government Act 1993, Council may write off rates due to hardship where a pensioner is solely responsible for the rates on a property.

Under section 601 of the Local Government Act 1993, Council may write off rates due to hardship in the first year of new valuations. In general, no rates are written off by Council in relation to the personal financial hardship of ratepayers in these circumstances.

Objective

To clearly state the circumstances under which Council will consider the personal financial hardship of ratepayers.

Procedures/Practice

A ratepayer who is suffering personal financial hardship may apply to Council to pay a debt to Council by making regular payments in order to finalise that debt. Council or the General Manager or Director Corporate Services under delegated authority from Council may write off interest if they are of the view that the ratepayer is suffering genuine personal financial hardship.

References

Local Government Act 1993

Delegations of Authority from Council

This policy was adopted by Council at its meeting on 31 October 2016. It replaces that of the same name adopted by Council at its meeting on 25 October 2013.

Pricing Policies for Services and Private Works

In determining an appropriate level of user charges, Council shall consider:

- the full cost of providing the service;
- market rates applicable for comparable goods, services or works;
- the implication of charges for encouraging rational choice by users; and,
- the impact of charges on the achievement of social objectives implicit in service delivery
- Whilst the supplier is required to firstly determine rates which will recover the full costs of providing the service, a user charge rate based on full costs may not be appropriate where:
- an active market exists for the goods, services or works and where the higher of full cost or market price shall apply;
- the supplier operates as a business or quasi-business undertaking and is seeking to utilise spare capacity, in which case normal commercial pricing considerations shall prevail; and
- the Government has directed that a particular price or charge rate, or method for determining the same, shall apply.

User charging will not apply where:

no improvement to resource allocation will result;

the government has directed that goods and services will be provided without charge;

the transaction is of a “one off” nature and immaterial in amount; or,

the ongoing administrative costs of charging exceed the expected long term efficiency gains.

Full Costs

Full costs shall reflect the opportunity cost of resources employed and will include, but need not be restricted to:

- direct and indirect labour and management costs (including accruing staff entitlements, workers compensation etc.);
- materials (including oncost to cover handling and holding costs etc.);
- capital charges (including rent or hire charges etc. or as the case requires, an appropriate depreciation charge and interest at the prevailing long term bond rate on the depreciated current value of assets employed); and

such general margin as may be appropriate.

Rounding

Rounding of resultant calculations are performed on a consistent basis. As a general rule, rounding should be applied as follows:

Up to and including \$10	nearest 10¢
Over \$10 and up to and including \$50	nearest 50¢
Over \$50 and up to and including \$100	nearest \$1
Over \$100	nearest \$5

While the application of rounding may result in an increase for some items above the Consumer Price Index (CPI), the opposite should be true for other items.

Frequency of Review

As a general rule, fees and charges should be reviewed annually. However, practical or policy considerations (including prevailing market conditions, accepted industry practice, government policy determination) may dictate that reviews be more or less frequent.

Council reserves the right to vary its charges at any time, subject to advertising and consideration of submissions.

Private Works

Council undertakes private works as a service to its residents and ratepayers and to assist in the utilisation of Council's plant and equipment. Council's position in relation to charging for works on private lands is:

"Where work is carried out on private property by Council labour, utilising materials purchased by Council, the work is charged at actual costs, together with a loading on wages to cover overheads. An additional percentage is added to the total so derived to cover administrative expenses."

Council undertakes a wide range of private works such as access construction, grading of private roadworks, driveways, mowing/slashing and construction of subdivisions and carparks.

Council also submits competitive bids for commercial projects within the Upper Hunter Shire area.

To improve the utilisation of its plant fleet, Council also hires its plant together with operator, to external clients on a commercially competitive basis. External hire rates for Council plant are included in the Fees and Charges Schedule.

PROPOSED BORROWINGS

Council does not propose to draw down to enter into any borrowing during the 2023/2024 year.

All current borrowings are secured as per Council's Loans Policy.

Schedule of Current Loan Repayments 2023/24								
General Fund								
LOAN NO	PURPOSE	INSTITUTION	MATURITY DATE	INTEREST RATE	ORIGINAL PRINCIPAL	PRINCIPAL OWING AT 1/7/2023	PRINCIPAL TO BE REPAID 2023/2024	INTEREST TO BE REPAID 2023/2024
1	UH Early Learning Centre	NAB	30/04/2029	6.68%	720,000	282,928	53,241	12,095
2	Medical Centre	WBC	30/04/2034	6.90%	1,400,000	787,243	54,512	56,132
3	Administration Centre	NAB	30/04/2029	6.37%	3,100,000	1,325,022	194,472	79,977
4	Medical Centre extension	NAB	1/07/2030	8.10%	350,000	186,967	20,754	14,639
5	Saleyards	NAB	24/06/2031	7.66%	1,000,000	584,140	55,188	42,722
6	Airport runway	NAB	24/06/2031	7.66%	550,000	321,277	30,354	23,497
7	Bridge Replace - Barsham, Timor Crk, Scotts Crk	NAB	24/06/2031	7.66%	1,300,000	759,381	71,745	55,538
10.1**	LIRS Round 2 – Bridge Replace Program	NAB	31/10/2023	5.73%	1,015,000	43965	43,965	531
10.2**	LIRS Round 2 Roads Renewal Upgrade Program	NAB	31/10/2023	5.73%	1,000,000	43,319	43,319	523
11	Scone Saleyards Redevelopment	TCORP	2/08/2039	2.47%	8,420,000	7,140,035	361,761	173,025
12	White Park Redevelopment	TCORP	2/08/2029	1.95%	1,000,000	647,595	98,398	11,911
13	Campbell's Corner	WBC	25/03/2030	3.14%	3,500,000	3,122,879	142,930	100,034
15	Aerodrome Redevelopment Stage 1	TCORP	29/06/2040	2.28%	3,000,000	2,632,181	128,288	58,922
16	Road Infrastructure	TCORP	29/06/2040	2.28%	5,000,000	4,386,968	213,813	98,203
17	Aerodrome Redevelopment Stage 2	TCORP	28/05/2041	2.59%	4,796,108	4,419,984	195,415	12,590

Schedule of Current Loan Repayments 2023/24 (continued)

Water Fund								
LOAN NO	PURPOSE	INSTITUTION	MATURITY DATE	INTEREST RATE	ORIGINAL PRINCIPAL	PRINCIPAL OWING AT 1/7/2023	PRINCIPAL TO BE REPAID 2023/2024	INTEREST TO BE REPAID 2023/2024
8	Glenbawn Dam Augmentation Pipeline	NAB	29/06/2032	6.19%	4,400,000	2,657,973	223,907	159,526
14	Scone to Murrurundi Pipeline	TCORP	29/06/2040	2.28%	2,486,000	2,181,200	106,308	48,827

Sewer Fund								
LOAN NO	PURPOSE	INSTITUTION	MATURITY DATE	INTEREST RATE	ORIGINAL PRINCIPAL	PRINCIPAL OWING AT 1/7/2023	PRINCIPAL TO BE REPAID 2023/2024	INTEREST TO BE REPAID 2023/2024
	No Borrowings						Nil	Nil